



Colorado
Legislative
Council
Staff

HB16-1096

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0838
Prime Sponsor(s): Rep. Williams
Sen. Tate

Date: January 26, 2016
Bill Status: House Business Affairs and Labor
Fiscal Analyst: Josh Abram (303-866-3561)

BILL TOPIC: FORECLOSURE OVERBID AMOUNT RETURN TO HOMEOWNER

Summary of Legislation

Under current law, when a home or other real property is sold in foreclosure for more than the amount owed to the foreclosing party (e.g., a bank holding the mortgage), the owner of the home being foreclosed may be entitled to the amount of the sale in excess of the amount he or she owed to the foreclosing party. This excess is known as an "overbid."

This bill defines certain junior lienors as ineligible to receive any portion of the overbid. These include junior lienors that miss filing deadlines or that settle their lien claims for a discount. The bill adds the last redeeming lienor to the list of persons who are ineligible to receive overbid funds. Therefore, to the extent any overbid amount remains following discharge of the debt, the bulk is remitted back to the original owner.

Assessment

The bill will not impact the workload, expenditures, or revenue of any state agency or local government. For this reason, this bill is assessed as having no fiscal impact.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature, and applies to foreclosure sales occurring on or after that date.

State and Local Government Contacts

Assessors	Counties	Clerk and Recordors
Local Affairs	Municipalities	Office of Information Technology
Public Trustees	Regulatory Agencies	